

City of Brooklyn, Ohio

2003 COMMUNITY REPORT

Letter from Mayor Patton



Citizens of Brooklyn

I am pleased to forward to you the second Community Report ever produced for the City of Brooklyn. From the day I was elected it has been my vision to lead a high performing administration that delivered outstanding city services and maintained or improved the quality of life for the citizens of our City. Part of that vision is to provide clear, concise and understandable information on the financial status of the City. Additionally, I believe it is good government to advise you of the work that is being done to make that vision a reality. I published the very first Community Report for the City of Brooklyn to meet that objective. It was well received by the community and recognized for its content with a prestigious national award. I will continue to publish this report to ensure that you know how your investment in the City of Brooklyn, in the form of your taxes, is contributing to the city services you receive and a quality of life you anticipated when you chose to become part of this outstanding community.

For the three years since I took office, my administration has been continually working towards sound management of our resources. In Fiscal Year 2000 revenues exceeded expenditures in the General Fund and year-end balances increased. In the first half of Fiscal Year 2001, Municipal Income Tax collection was below projection. My administration acted. With the approval of City Council, expenditures were reduced and a temporary shift in income tax distribution was enacted. By year-end, revenues again exceeded expenditures. Balances in the General Fund were again increased. In Fiscal Year 2002 we continued to closely monitor expenses and spent at a rate 1.5% below the amount used in 2001. During this administration, sound management has tripled the available fund balance in the General Fund. We now more than meet the recognized benchmark for solid fiscal health, 60 days of operating funds available to meet emergency requirements or offset an economic downturn. At a time when state and local governments are financially stressed, Brooklyn has actually enhanced its financial position and is very well positioned in case of a prolonged economic slump. It is my intention to continue the planning and management that has lead to this very positive outcome.

As part of that planning we have instituted a 3-year Street Maintenance Plan and a 10-year Capital Improvement Plan. Our 2002 Capital Improvement Plan was fully implemented, four additional items from our unfunded list were also completed, and we still finished the year under the original budget. This report contains further information on our plans to maintain and upgrade our infrastructure during 2003. I hope you find this report to be informative. If you would like more details regarding our City's finances, please pick up a copy of the 2002 City of Brooklyn Comprehensive Annual Financial Report (CAFR) at City Hall.

Thank you for your continuing support in making Brooklyn a great place to live, work, play and raise a family.

Kenneth E. Patton, Mayor



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CITY OF BROOKLYN

7619 Memphis Avenue
Brooklyn, Ohio 44144

CITY ADMINISTRATION

Kenneth E. Patton.....*Mayor*

Jack T. Murphy*Chief of Police*
Paul Duchoslav*Fire Chief*
Donna Thompson*Executive Assistant*
Thomas O. Shaper*Law Director*
Robert A. Kappler*Service Director*
Thomas Ockington..*Building Commissioner*
Gale W. Fisk*Finance Director*
Ronald Balbier*Magistrate*

CITY COUNCIL

John E. Frey*President of Council*
Gregory L. Frey*At Large*
Thomas E. Coyne*At Large*
Rita M. Brown.....*At Large*
Kathleen M. Pucci*At Large*
Colleen B. Gallagher*At Large*
Richard H. Balbier.....*At Large*

The City of
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City of Brooklyn, Ohio

2002 Accomplishments

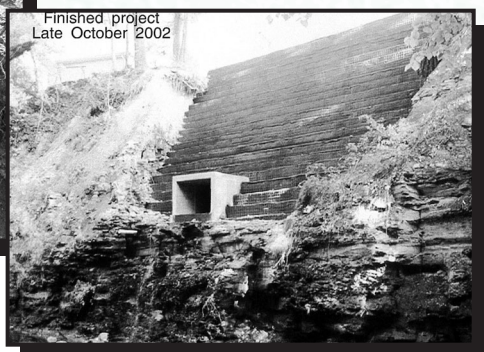
BIDDULPH ROAD

Reconstruction of one of the city's main roads began in 2001 and was completed in 2002. Work on the section from Tiedeman to Ridge included removal of the old roadway, a new base and concrete running course and new aprons for drives along the street. The project cost was approximately \$2,480,000. Federal funds paid for \$1,747,000 of the project. Cuyahoga County contributed \$245,000. The cost for the City of Brooklyn was \$492,000.



SEWER PROJECTS

Phase 2 of the Woodhaven Sewer Project to eliminate basement flooding in this section of the city was completed. The project involved the replacement of an under capacity sewer line under Ridge Road. Cross connected sanitary and storm sewers on Ridge Road were corrected. The project cost about \$372,000.



A major project at Memphis Villas was also completed. A thirty foot section of an outfall emptying into Big Creek was damaged and causing considerable erosion to the bank and property adjacent to it. The repair and reconstruction cost \$275,000.

STREET MAINTENANCE

The County initiated a project to resurface Ridge Road from I-480 to Memphis Avenue. The cost of the project was over \$1,000,000 with \$175,000 paid by the City. Construction began in July and was nearly completed by winter. Project results are not considered satisfactory and corrective action is to be completed this spring.

Sections of Tiedeman Road were ground and resurfaced and crack sealing was done to maintain this main artery. Winter Lane was ground, base repairs made, new aprons poured and a new running course was laid. The cost for this work was about \$275,000.

HANDICAP ACCESS TO CITY HALL

This project to make City Hall ADA compliant was initiated in the fall of 2001 and completed in the spring of 2002. The work included the remodeling of five bathrooms, new doors and entrances, a new sidewalk and ramp and handicap parking spaces. Total cost was \$177,000 with a Community Development Block Grant providing \$75,000 toward the project.



REC CENTER PARKING LOT

The parking lot at the east side of the center had badly deteriorated. The old lot was demolished and removed and a new base and asphalt parking lot was laid. The cost was \$96,000 with Community Development Block Grant funding \$41,000.

In addition, old bleachers at the rink were removed and new bleachers meeting current safety standards were installed. Three new police cruisers were leased and one was purchased. Two new salt trucks were leased. Badly needed repairs were made at the Senior Community Center with the addition of a new ceiling, sound system, dance floor and carpeting. A new networked financial management system was implemented. An Access Study for Tiedeman and Ridge Roads was conducted with a public workshop to get citizen input on traffic problems. Intersection improvements were made at Tiedeman and Brookpark and Ridge and Brookpark to add turn lane loop detectors and improved signalization to speed up traffic flow. Projects originally unfunded in the budget were able to be added because of savings generated during the execution of the plan. The outdoor pool was sandblasted and painted. A study of items needing updating at the Recreation Center was conducted. A \$150,000 Computer Network was leased and implemented. The original budget appropriated \$2,012,875 for the improvements. The plan was competed along with the additions for about \$1,890,000.

2003 Planned Capital Improvements

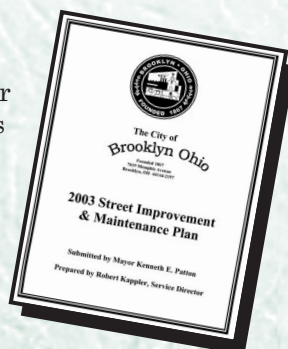
Prior to the passage of the 2003 Budget the administration developed a 10-year plan for continuing maintenance and enhancement of the infrastructure of the City. Some of the \$1.847 million in needs for the upcoming year are as follows:

RIDGE ROAD RESURFACING

Phase 1 of the project will be completed this spring. Phase 2, Memphis to I-71, has been delayed because of the cave in of a 72 inch sewer main in that area. Phase 3, I-71 to Denison, will begin in September. The work planned is wearing course removal, base repairs, replacement of defective curbs and a new asphalt overlay. The cost of the project is estimated at \$2,450,000. The city portion is anticipated to be \$240,000.

STREET MAINTENANCE

This past winter was hard on our city streets. Our street plan was updated based on damage done. Bids are being taken for repairs over the summer to the following streets: Autumn, Idlewood, Melody, Summer, Tiedeman, Williamston and W. 62nd Street. Maintenance will be done on Ira, Southwood and Traymore. The estimate for this work is \$523,000.



RECYCLING TRUCK

The purchase of a new recycling truck for \$104,000 is part of an overall plan to change the way the city collects recyclables. Six personnel are currently involved in the collection, separating and transportation of the material. The city plans to use the new truck to collect recyclables with only three personnel. The material will be collected but not separated and taken in bulk to the Waste Management Facility in Oakwood Village. This methodology will allow three personnel currently involved in the collection of recyclables to be assigned to street maintenance. The overall cost of the recycling program is reduced and the operational capacity of the street maintenance program is enhanced.

REC CENTER RENOVATIONS

Recommendations made in the study done to analyze future needs of the Recreation Center have been grouped into four phases to allow funding and project management to be reasonably coordinated. Phase 1 will commence in August with the replacement of the heating, ventilation and air conditioning system in the indoor pool area, renovation of the pool to allow for use in competitive swimming and the remodeling of an area to incorporate a family changing area. The total cost for Phase 1 is estimated at \$501,000.

FIRE STATION

Within two and one half years the city will have to replace its aging hook and ladder truck. The new truck will be longer and heavier than the current apparatus and will not fit in the present 60 year old fire station. The administration is studying adding on to and renovating the present station or building a new, modern station that would meet the city's needs for the next 40 years. A decision must be made and action initiated in the next six months.



The city has received a Community Development Block Grant (CDBG) for \$150,000 to complete the final phase of the Woodhaven sewer project and the reconstruction of West Boulevard. Additional projects include Brock Playground resurfacing, Ridge Road signalization improvements, installation of an emergency warning siren and planting of trees along Biddulph Road. The city has also received a federal grant of \$100,000 to remodel and construct a new Central Dispatch Center.

City of Brooklyn, Ohio

FINANCIAL REVIEW

Governmental Funds

The information presented in this review is a summary of the City’s primary financial operations for the fiscal year ended December 31, 2002. The data included is compiled from the City’s Comprehensive Annual Financial Report (CAFR) and is limited to the City’s Governmental Funds which are as follows:

General Fund – accounts for the revenues and expenses associated with the general governmental operations of the city. Included in this fund are the wages and benefits for most of the city’s employees, contract services, materials and supplies and smaller equipment needed to run Police, Fire, the Service Department and Building Department, Recreation, Mayor’s Court, Finance, Senior Services and all other administrative functions to manage city operations.

Special Revenue Funds – accounts for the proceeds of specific revenue sources and the expenditures associated with them that are restricted by law and administrative action for specific purposes (e.g. street funds, recycling, D.A.R.E. and Community Development Block Grant funds).

Debt Service Funds – accounts for the revenues and expenses dedicated to the payment of general long-term debt and special assessment principal, interest and related costs.

Capital Project Funds – accounts for financial resources used for the construction or acquisition of major capital facilities (e.g. ambulances, police cruisers, trucks, sewer projects, park improvements, street improvements and buildings).

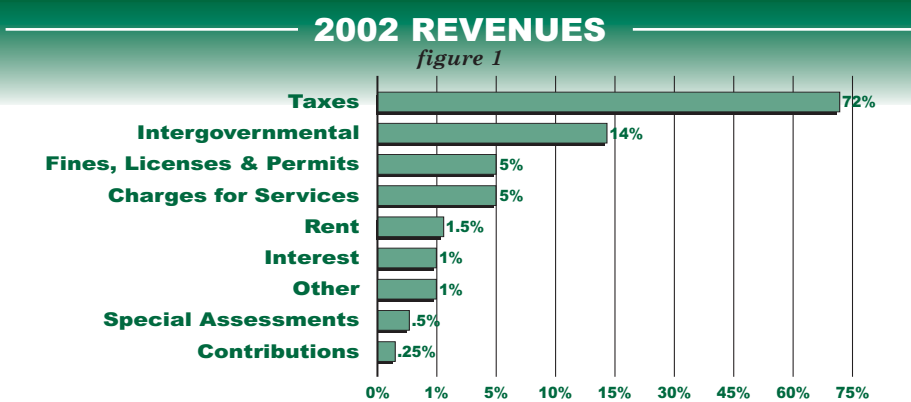
WHERE THE MONEY COMES FROM...

Revenues

The largest sources of revenue include income tax, property tax and state shared taxes. The City also generates significant revenue through charges for services (such as ambulance services and recreation fees) and fines, licenses and permits (e.g. building permits and Mayor’s Court). Several factors, including the economic downturn, caused total revenues for 2001 to decline by \$683,793, a 3.68% decrease. Revenue from taxes decreased by \$86,720. Increased refunds for Municipal Income Tax was the cause. Mayor’s Court revenue decreased by about \$32,000. Collections were the second best on record but less than the high of 2001. The city received most of the grant monies for Biddulph Road reconstruction in 2001. The project was completed in 2002 and Intergovernmental revenue declined by \$565,738 as expected. Rent went up by 449%. The city received a five year payment for billboards in a lump sum. Finally, in 2001 the city received a large refund from Worker’s Compensation. In 2002, the city was given a rate reduction. Other revenue declined. Revenue for interest declined in 2001 and again in 2002 as rates reached 30 year lows.

One of the City’s financial strengths is that it does not have one primary taxpayer or source of tax that it is solely dependent on. Income tax generates about 60% of the City’s revenue. Property Tax adds about 12%. Intergovernmental sources contributed another 13.7% in 2002. All other sources contributed about 14% (See Figure 1).

REVENUES	2001	2002	CHANGE
Taxes	\$13,032,655	\$12,945,935	(\$86,720)
Charges for Services	836,209	880,019	43,810
Fines, Licenses & Permits	945,521	913,412	(32,109)
Intergovernmental	3,007,322	2,441,584	(565,738)
Special Assessments	96,027	97,278	1,251
Contributions	37,002	36,812	(190)
Interest	254,194	169,578	(84,616)
Rent	50,502	277,502	227,000
Other	332,570	146,089	(186,481)
Total Revenues	\$18,592,002	\$17,908,209	(\$683,793)



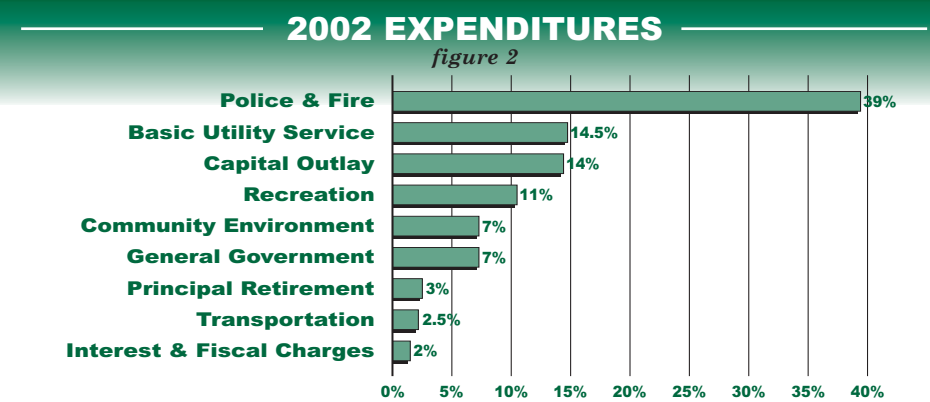
WHERE THE MONEY GOES TO...

Expenditures

Total expenditures for 2002 were \$17,824,548. This was a \$880,449 increase. Personnel benefits increased by over 4%. Costs for General Government went up by \$158,384. Insurance costs rose by over 30% and a new financial management system and computer network were implemented. Expenditures for Security of Persons and Property increased because the police received several grants for operations and equipment and fire received a FEMA grant. Park Security charges were moved to this classification. Leisure Time Activities increased by 16%. Personnel previously charged to Utility Services were moved to this classification. Capital Outlays decreased by 4.67%. Capital Improvements were reduced in 2001 to lower expenditures. In 2002 those expenditures returned to normal levels resulting in a \$500,000 increase. Biddulph Road reconstruction expenses were lower in 2002 as the project was completed. The overall result was a \$125,154 reduction. Principal Retirement was up by \$83,871 because the city paid down notes and executed several capital leases. Interest charges were lower because interest rates on new notes were lower than the previous year.

Expenditures incurred by the City of Brooklyn are accounted for in governmental funds by function. Presenting the results of operation by function allows citizens to better view the use of funds by City Services or program (See figure 2).

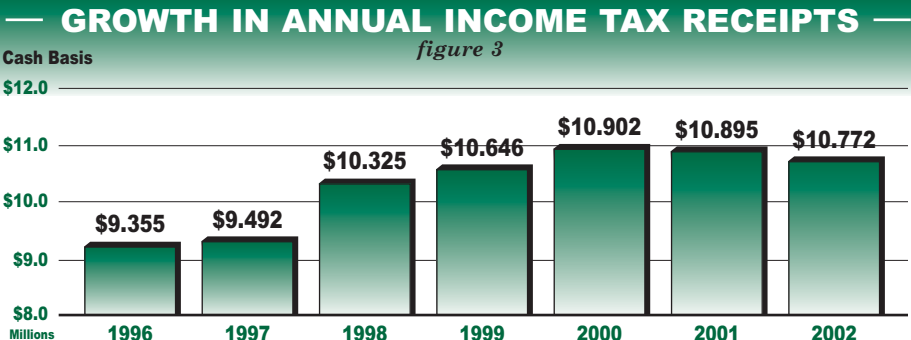
EXPENDITURES	2001	2002	CHANGE
General Government	\$1,078,961	\$1,237,345	\$158,384
Police & Fire	6,272,853	6,882,432	609,579
Transportation	483,164	441,473	(41,691)
Community Environment	1,359,695	1,329,200	(30,495)
Basic Utility Services	2,522,773	2,545,154	22,381
Recreation	1,640,474	1,904,760	264,286
Capital Outlay	2,679,727	2,554,573	(125,154)
Debt (Principal Retirement)	518,114	601,985	83,871
Debt (Interest & Fiscal Charges)	388,338	327,626	(60,712)
Total Expenditures	\$16,944,099	\$17,824,548	\$880,449



INCOME TAX RECEIPTS

Income tax receipts for Fiscal Year 2002 were \$10.772 million, a decrease from the \$10.895 million collected in Fiscal Year 2001 (See Fig. 3). During a strong economy in the 1995-2000 years, income tax receipts grew at an average annual rate of 3.2%. Because of economic factors, the City experienced a 1.1% decrease in municipal income tax revenues in Fiscal Year 2002.

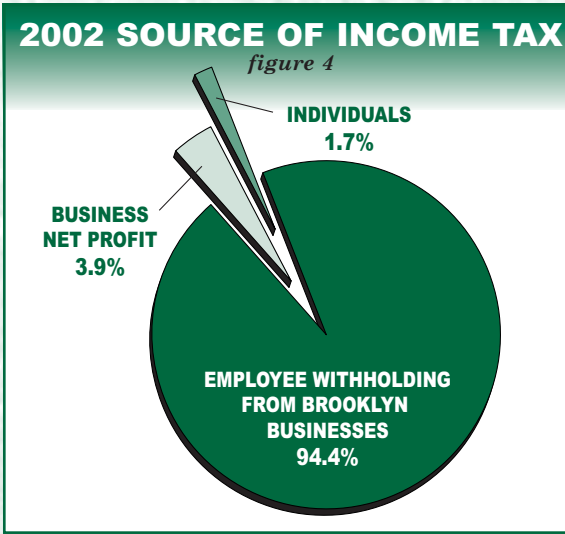
The economic base for the City remains strong. New businesses such as the Hampton Inn, Perkins Restaurant, West Side Automotive Group, Carrabba’s Italian Grill,



Panera’s and Cracker Barrel opened in 2002. Max & Erma’s opened this spring and two administrative offices will be opened in the summer.

The City of Brooklyn levies a 2% income tax on earned income within the City which is applied to gross salaries, wages, personal services compensation and net income of for-profit organizations that conduct business in Brooklyn. Brooklyn residents are required to pay this tax on income they earn outside the City but are given 100% credit for income taxes paid to the municipality in which they work.

The pie chart in Figure 4 displays the source of income tax collections as they were received in Fiscal Year 2002. In 2001 individual taxpayers paid 2.8% of the income tax. Businesses paid 8.9% on net profit. Employee withholding from businesses paid 88.3%. Those figures changed markedly in 2002.



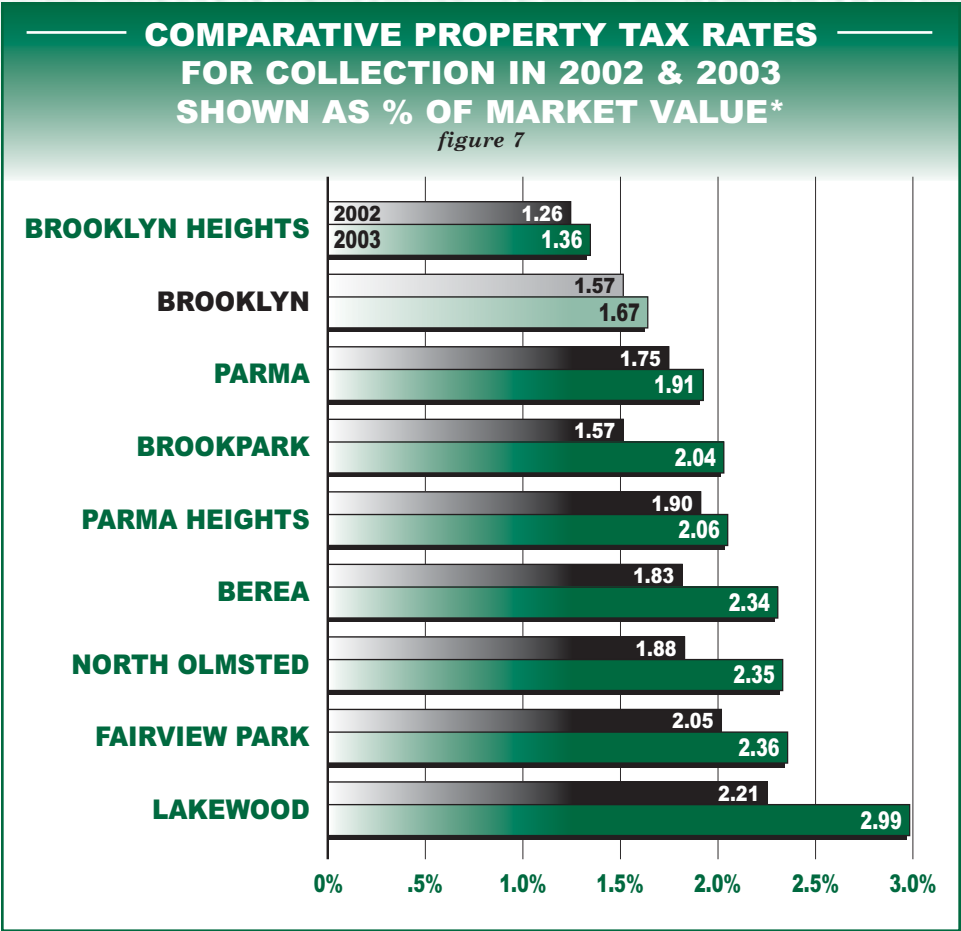
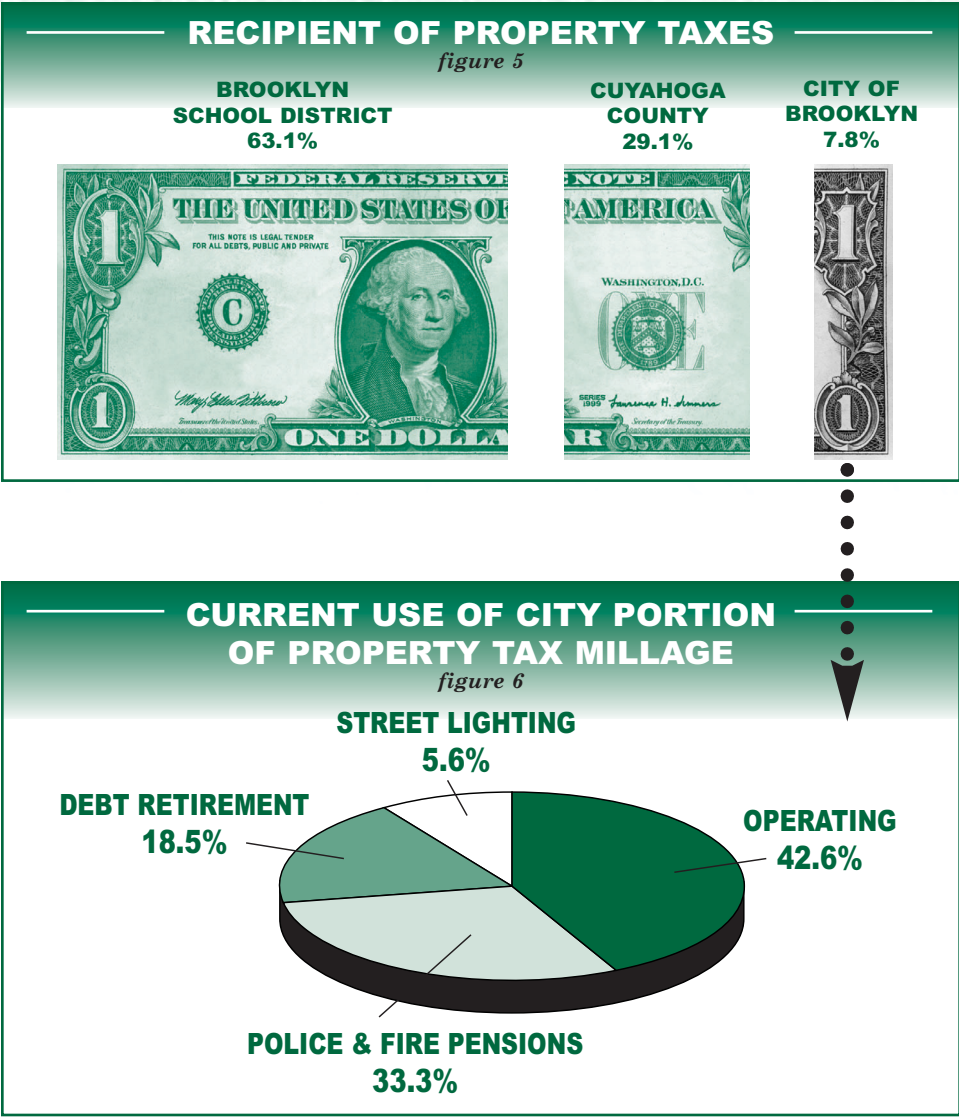
City of Brooklyn, Ohio

UNDERSTANDING PROPERTY TAX

A fundamental difference between the City of Brooklyn and the Brooklyn School District is the main funding source used by each entity for operating purposes. The Brooklyn School District, as all school districts in Ohio, is mostly funded by taxes paid on property that falls within its district. Conversely, the City has a diverse revenue stream that funds government operations (See Figure 1).

Property tax in Brooklyn is administered by the Cuyahoga County Auditor and is based on the County assigned value of all parcels of land within each taxing district. The County Auditor determines an assessed value which is 35 percent of the appraised market value of each parcel. This value is updated every three years based on the average price that similar properties sold for within the previous three-year period. Every six years, auditors re-appraise the value of each piece of land based on any building additions or major improvements. The last re-appraisal was completed in 2000 for tax collection year 2001.

Only 5.4 mills of the 68.8 mills of total property tax for Brooklyn are allocated to the City. The bulk of those funds are used for general operating expenses with a portion allotted to debt repayment, funding of Police and Firemen’s Pensions and Street Lighting. In the past Street Lighting has had more funds than needed and built up a large balance. In 2002 the millage for Street Lighting was reduced from .5 mill to .3 mill. Police and Firemen’s Pensions have been underfunded. Each was increased by .1 mill to more effectively utilize the funds available without increasing property taxes. Property Tax rates for the City of Brooklyn are very favorable when compared to other local municipalities.

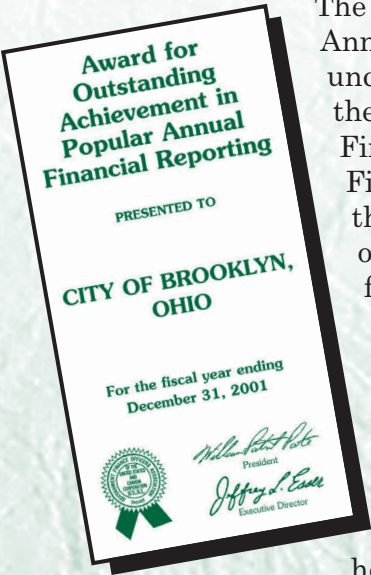


* Example: Property tax for a \$100,000 home in Brooklyn calculated as follows: \$100,000 x 1.67% = \$1,670.

As shown in Figure 5, 7.8% or \$130 is allocated to the City of Brooklyn. The Brooklyn School District receives \$1,054 and Cuyahoga County receives \$486.

From The Finance Director

This is the second Popular Annual Financial Report (PAFR) assembled by the City and is designed to supplement traditional financial reporting with a summary that is more easily understood and accessible to a broader audience. This administration feels it is important for all the citizens of this community to know how their hard earned tax dollars are being utilized and what services they are receiving in return.



The detailed presentation of the City’s financial information, the 2001 Comprehensive Annual Financial Report (CAFR), was audited by the Auditor of State and received an unqualified opinion. An unqualified opinion is given when the auditor can state that the financial statements are presented fairly. The City was awarded the Government Finance Officers Association (GFOA) Certificate of Achievement for Excellence in Financial Reporting for its 2001 CAFR. This is the thirteenth consecutive award the City has received. The City also received the Auditor’s award from the Auditor of State, Betty Montgomery, for its commitment to outstanding government financial reporting. Finally, the GFOA recognized the 2001 PAFR with its award for Outstanding Achievement. This prestigious national award recognizes the City of Brooklyn for achieving the highest standards in state and local government popular reports with its very first submission.

Just as we seek constant improvement in delivery of service, we also strive to improve our financial operation. The awards received this past year would indicate we are achieving our goal of the best in financial reporting. It is my hope that this Community Report provides you with useful and relevant information regarding the finances and operations of the City of Brooklyn. Responsibility for the accuracy and completeness of the data presented rests with the City. To the best of my knowledge, the information presented is accurate in all material respects and presents fairly the financial position and results of operation for Fiscal Year 2002.

Gale W. Fisk
Finance Director

